
Audited Financial Statements

Of the Northwest School Division No. 203

School Division No. 2030500

For the Period Ending: August 31, 2017

CMcCloud

Chief Financial Officer

Cogent Chartered Professional Accountants LLP

Auditor

Note - Copy to be sent to Ministry of Education, Regina

Management's Responsibility for the Financial Statements


The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible for the appointment of the school division's external auditors.

The external auditors, Cogent Chartered Professional Accountants LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Northwest School Division No. 203:


Board Chair


CEO/Director of Education


Chief Financial Officer

November 23, 2017

Cogent

CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Board of Education of Northwest School Division No. 203:

We have audited the accompanying financial statements of the Northwest School Division No. 203, which comprise the statement of financial position as at August 31, 2017, and the statements of operations and accumulated surplus from operations, statement of changes in net financial assets and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit included performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Northwest School Division No. 203 as at August 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Meadow Lake, Saskatchewan
November 28, 2017

Cogent Chartered Professional Accountants LLP

Chartered Professional Accountants

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Northwest School Division No. 203
Statement of Financial Position
as at August 31, 2017

	2017	2016
	\$	\$
Financial Assets		
Cash and Cash Equivalents	2,046,715	5,905,129
Accounts Receivable (Note 8)	16,166,281	15,374,824
Portfolio Investments (Note 4)	169,039	162,292
Total Financial Assets	18,382,035	21,442,245
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	1,480,285	1,141,590
Long-Term Debt (Note 10)	2,281,241	2,651,331
Liability for Employee Future Benefits (Note 6)	819,400	763,600
Deferred Revenue (Note 11)	825,745	736,761
Total Liabilities	5,406,671	5,293,282
Net Financial Assets	12,975,364	16,148,963
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	59,647,666	58,097,990
Inventory of Supplies for Consumption	504,100	561,311
Prepaid Expenses	345,886	395,170
Total Non-Financial Assets	60,497,652	59,054,471
Total Accumulated Surplus (Note 14)	73,473,016	75,203,434

Contractual Obligations and Commitments (Note 17)

The accompanying notes and schedules are an integral part of these statements.

Approved by the Board:



Chairperson



Chief Financial Officer

Northwest School Division No. 203
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
REVENUES	(Note 15)		
Property Taxation	26,169,804	26,919,686	26,352,969
Grants	28,598,139	28,800,224	31,846,746
Tuition and Related Fees	3,121,872	3,004,108	2,911,972
School Generated Funds	2,511,000	2,170,890	2,359,683
Complementary Services (Note 12)	1,152,180	1,039,525	1,152,724
External Services (Note 13)	397,754	1,242,100	440,652
Other	88,000	476,645	598,466
Total Revenues (Schedule A)	62,038,749	63,653,178	65,663,212
EXPENSES			
Governance	459,000	395,434	389,661
Administration	2,865,790	2,717,086	2,783,988
Instruction	41,363,137	40,559,662	40,580,253
Plant	8,642,300	8,539,178	8,456,546
Transportation	5,836,019	5,801,018	5,657,951
Tuition and Related Fees	558,120	590,773	533,710
School Generated Funds	2,511,000	2,596,635	2,233,166
Complementary Services (Note 12)	1,731,903	1,785,998	1,768,846
External Services (Note 13)	397,754	2,306,414	409,228
Other Expenses	145,500	91,398	441,496
Total Expenses (Schedule B)	64,510,523	65,383,596	63,254,845
Operating Surplus (Deficit) for the Year	(2,471,774)	(1,730,418)	2,408,367
Accumulated Surplus from Operations, Beginning of Year	75,203,434	75,203,434	72,795,067
Accumulated Surplus from Operations, End of Year	72,731,660	73,473,016	75,203,434

The accompanying notes and schedules are an integral part of these statements.

Northwest School Division No. 203
Statement of Changes in Net Financial Assets
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
	(Note 15)		
Net Financial Assets, Beginning of Year	16,148,963	16,148,963	12,301,604
Changes During the Year			
Operating Surplus (Deficit) for the Year	(2,471,774)	(1,730,418)	2,408,367
Acquisition of Tangible Capital Assets (Schedule C)	(3,242,600)	(5,253,006)	(2,545,655)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	24,678	183,989
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	(21,411)	186,999
Amortization of Tangible Capital Assets (Schedule C)	3,892,783	3,700,063	3,564,970
Net Acquisition of Inventory of Supplies	-	57,211	14,504
Net Change in Other Non-Financial Assets	-	49,284	34,185
Change in Net Financial Assets	(1,821,591)	(3,173,599)	3,847,359
Net Financial Assets, End of Year	14,327,372	12,975,364	16,148,963

The accompanying notes and schedules are an integral part of these statements.

Northwest School Division No. 203
Statement of Cash Flows
for the year ended August 31, 2017

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Operating Surplus (Deficit) for the Year	(1,730,418)	2,408,367
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	3,678,652	3,751,969
Net Change in Non-Cash Operating Activities (Schedule E)	(201,483)	1,207,873
Cash Provided by Operating Activities	1,746,751	7,368,209
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(5,253,006)	(2,545,655)
Proceeds on Disposal of Tangible Capital Assets	24,678	183,989
Cash Used by Capital Activities	(5,228,328)	(2,361,666)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(6,747)	(16,863)
Cash Used by Investing Activities	(6,747)	(16,863)
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(370,090)	(359,017)
Cash Used by Financing Activities	(370,090)	(359,017)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,858,414)	4,630,663
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,905,129	1,274,466
CASH AND CASH EQUIVALENTS, END OF YEAR	2,046,715	5,905,129

The accompanying notes and schedules are an integral part of these statements.

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	26,169,804	26,444,291	25,796,451
Total Property Tax Revenue	26,169,804	26,444,291	25,796,451
Grants in Lieu of Taxes			
Federal Government	-	85,303	161,537
Provincial Government	-	188,744	167,823
Other	-	23,248	21,184
Total Grants in Lieu of Taxes	-	297,295	350,544
Other Tax Revenues			
House Trailer Fees	-	24,100	23,595
Total Other Tax Revenues	-	24,100	23,595
Additions to Levy			
Penalties	-	199,742	161,638
Other	-	23,816	57,333
Total Additions to Levy	-	223,558	218,971
Deletions from Levy			
Cancellations	-	(69,558)	(36,592)
Total Deletions from Levy	-	(69,558)	(36,592)
Total Property Taxation Revenue	26,169,804	26,919,686	26,352,969
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	27,354,610	26,884,532	28,949,572
Other Ministry Grants	-	55,466	129,687
Total Ministry Grants	27,354,610	26,939,998	29,079,259
Other Provincial Grants	40,000	38,909	190,536
Grants from Others	175,000	180,376	14,455
Total Operating Grants	27,569,610	27,159,283	29,284,250
Capital Grants			
Ministry of Education Capital Grants	1,028,529	1,640,941	2,562,496
Total Capital Grants	1,028,529	1,640,941	2,562,496
Total Grants	28,598,139	28,800,224	31,846,746

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	2,956,872	2,890,923	2,830,171
Individuals and Other	40,000	34,512	22,640
Total Tuition Fees	2,996,872	2,925,435	2,852,811
Transportation Fees	45,000	78,673	59,161
Total Operating Tuition and Related Fees	3,041,872	3,004,108	2,911,972
Capital Fees			
Federal/First Nations Capital Fees	80,000	-	-
Total Capital Tuition and Fees	80,000	-	-
Total Tuition and Related Fees Revenue	3,121,872	3,004,108	2,911,972
School Generated Funds Revenue			
Curricular			
Student Fees	147,000	173,240	164,443
Total Curricular Fees	147,000	173,240	164,443
Non-Curricular Fees			
Fundraising	978,000	1,096,365	1,067,966
Grants and Partnerships	200,000	184,655	236,939
Students Fees	907,000	582,817	731,937
Other	279,000	133,813	158,398
Total Non-Curricular Fees	2,364,000	1,997,650	2,195,240
Total School Generated Funds Revenue	2,511,000	2,170,890	2,359,683
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	852,180	852,180	851,676
Other Ministry Grants	-	-	48,588
Other Provincial Grants	26,000	-	70,000
Federal Grants	211,000	186,595	180,860
Other Grants	25,000	-	-
Total Operating Grants	1,114,180	1,038,775	1,151,124
Fees and Other Revenue			
Tuition and Related Fees	38,000	-	-
Other Revenue	-	750	1,600
Total Fees and Other Revenue	38,000	750	1,600
Total Complementary Services Revenue	1,152,180	1,039,525	1,152,724

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
External Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	397,754	397,752	440,652
Other Ministry Grants	-	844,348	-
Total Operating Grants	397,754	1,242,100	440,652
Total External Services Revenue	397,754	1,242,100	440,652
Other Revenue			
Miscellaneous Revenue	35,000	376,971	451,119
Sales & Rentals	3,000	18,250	14,891
Investments	50,000	57,746	76,251
Gain on Disposal of Capital Assets	-	23,678	56,205
Total Other Revenue	88,000	476,645	598,466
TOTAL REVENUE FOR THE YEAR	62,038,749	63,653,178	65,663,212

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	107,000	109,212	124,598
Professional Development - Board Members	87,000	75,820	51,940
Advisory Committees	101,000	50,571	49,970
Professional Development - Advisory Committees	5,000	-	113
Elections	10,000	12,295	971
Other Governance Expenses	149,000	147,536	162,069
Total Governance Expense	459,000	395,434	389,661
Administration Expense			
Salaries	2,156,700	2,129,321	2,114,376
Benefits	224,904	217,064	222,613
Supplies & Services	122,000	79,045	98,191
Non-Capital Furniture & Equipment	12,000	6,754	7,542
Building Operating Expenses	41,000	50,937	40,762
Communications	33,000	25,012	34,388
Travel	75,000	58,038	89,972
Professional Development	50,000	48,751	52,787
Amortization of Tangible Capital Assets	151,186	102,164	123,357
Total Administration Expense	2,865,790	2,717,086	2,783,988
Instruction Expense			
Instructional (Teacher Contract) Salaries	28,352,000	28,548,761	28,236,941
Instructional (Teacher Contract) Benefits	1,418,084	1,418,318	1,470,799
Program Support (Non-Teacher Contract) Salaries	5,873,600	5,638,285	5,717,834
Program Support (Non-Teacher Contract) Benefits	1,018,693	970,929	985,389
Instructional Aids	1,053,000	1,067,679	1,144,779
Supplies & Services	705,000	801,375	664,258
Non-Capital Furniture & Equipment	896,500	692,609	848,859
Communications	127,700	120,019	137,022
Travel	190,000	200,028	223,233
Professional Development	601,700	275,871	359,136
Student Related Expense	351,000	184,010	195,110
Amortization of Tangible Capital Assets	775,860	641,778	596,893
Total Instruction Expense	41,363,137	40,559,662	40,580,253

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	2,135,000	2,074,641	2,110,264
Benefits	505,709	512,735	427,023
Supplies & Services	31,500	40,415	44,577
Non-Capital Furniture & Equipment	44,500	15,189	15,778
Building Operating Expenses	3,960,500	3,720,506	3,752,066
Communications	15,000	15,251	17,091
Travel	100,000	104,176	104,971
Professional Development	20,000	9,832	4,890
Amortization of Tangible Capital Assets	1,830,091	2,046,433	1,979,886
Total Plant Operation & Maintenance Expense	8,642,300	8,539,178	8,456,546
Student Transportation Expense			
Salaries	2,652,300	2,769,096	2,803,417
Benefits	465,175	473,306	485,736
Supplies & Services	905,200	751,273	693,672
Non-Capital Furniture & Equipment	477,000	764,853	675,212
Building Operating Expenses	38,500	40,580	41,319
Communications	42,000	38,486	38,811
Travel	68,000	45,971	53,169
Professional Development	25,000	19,034	15,374
Contracted Transportation	110,000	87,257	79,764
Amortization of Tangible Capital Assets	1,052,844	811,162	771,477
Total Student Transportation Expense	5,836,019	5,801,018	5,657,951
Tuition and Related Fees Expense			
Tuition Fees	558,120	590,773	533,710
Total Tuition and Related Fees Expense	558,120	590,773	533,710
School Generated Funds Expense			
Academic Supplies & Services	107,000	216,083	158,522
Cost of Sales	784,000	1,023,033	860,459
Non-Capital Furniture & Equipment	21,000	33,121	25,576
School Fund Expenses	1,599,000	1,324,398	1,188,609
Total School Generated Funds Expense	2,511,000	2,596,635	2,233,166

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	556,375	572,849	558,642
Program Support (Non-Teacher Contract) Salaries & Benefits	828,482	822,064	817,824
Transportation Salaries & Benefits	119,400	117,618	118,175
Instructional Aids	127,000	102,266	107,774
Supplies & Services	29,000	68,861	66,529
Non-Capital Furniture & Equipment	-	3,336	6,496
Communications	3,000	3,298	1,702
Travel	12,000	11,177	9,995
Professional Development (Non-Salary Costs)	6,000	3,664	6,317
Student Related Expenses	27,000	55,267	49,689
Amortization of Tangible Capital Assets	23,646	25,598	25,703
Total Complementary Services Expense	1,731,903	1,785,998	1,768,846
External Service Expense			
Grant Transfers	-	1,888,696	-
Administration Salaries & Benefits	-	-	1,765
Transportation Salaries & Benefits	224,997	231,110	224,864
Supplies & Services	84,500	73,455	65,101
Non-Capital Furniture & Equipment	25,000	34,804	46,547
Communications	2,600	2,640	2,641
Travel	-	-	61
Professional Development (Non-Salary Costs)	1,500	740	595
Contracted Transportation & Allowances	-	2,041	-
Amortization of Tangible Capital Assets	59,157	72,928	67,654
Total External Services Expense	397,754	2,306,414	409,228
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	60,000	2,455	1,210
Interest on Capital Loans	85,500	86,676	97,748
Total Interest and Bank Charges	145,500	89,131	98,958
Loss on Disposal of Tangible Capital Assets	-	2,267	243,204
Provision for Uncollectable Accounts	-	-	99,334
Total Other Expense	145,500	91,398	441,496
TOTAL EXPENSES FOR THE YEAR	64,510,523	65,383,596	63,254,845

Northwest School Division No. 203

**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2017**

	Land		Buildings		School	Other	Furniture and	Computer Hardware and	Computer	Assets		
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Audio Visual Equipment	Software	Under Construction	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets - at Cost												
Opening Balance as of September 1	1,299,527	2,061,548	92,274,422	455,418	10,993,733	1,260,094	2,888,513	1,750,691	103,055	181,109	113,268,110	112,381,588
Additions/Purchases	1	84,462	1,069,187	751,073	864,240	178,298	614,287	242,338	24,287	1,424,833	5,253,006	2,545,655
Disposals	(3,267)	-	-	-	(570,881)	(90,636)	(459,969)	-	-	-	(1,124,753)	(1,659,133)
Transfers to (from)	-	87,730	28,793	27,623	-	-	-	-	-	(144,146)	-	-
Closing Balance as of August 31	1,296,261	2,233,740	93,372,402	1,234,114	11,287,092	1,347,756	3,042,831	1,993,029	127,342	1,461,796	117,396,363	113,268,110
Tangible Capital Assets - Amortization												
Opening Balance as of September 1	-	1,277,738	44,065,463	382,474	6,043,281	848,127	1,329,069	1,170,961	53,007	-	55,170,120	52,893,293
Amortization of the Period	-	85,769	1,855,447	46,624	875,507	157,144	304,283	349,821	25,468	-	3,700,063	3,564,970
Disposals	-	-	-	-	(570,881)	(90,636)	(459,969)	-	-	-	(1,121,486)	(1,288,144)
Closing Balance as of August 31	N/A	1,363,507	45,920,910	429,098	6,347,907	914,635	1,173,383	1,520,782	78,475	N/A	57,748,697	55,170,120
Net Book Value												
Opening Balance as of September 1	1,299,527	783,810	48,208,959	72,944	4,950,452	411,967	1,559,444	579,730	50,048	181,109	58,097,990	59,488,296
Closing Balance as of August 31	1,296,261	870,233	47,451,492	805,016	4,939,185	433,121	1,869,448	472,247	48,867	1,461,796	59,647,666	58,097,990
Change in Net Book Value	(3,266)	86,423	(757,467)	732,072	(11,267)	21,154	310,004	(107,483)	(1,181)	1,280,687	1,549,676	(1,390,306)
Disposals												
Historical Cost	3,267	-	-	-	570,881	90,636	459,969	-	-	-	1,124,753	1,659,132
Accumulated Amortization	-	-	-	-	570,881	90,636	459,969	-	-	-	1,121,486	1,288,144
Net Cost	3,267	-	-	-	-	-	-	-	-	-	3,267	370,988
Price of Sale	1,000	-	-	-	15,800	1,100	6,778	-	-	-	24,678	183,989
Gain (Loss) on Disposal	(2,267)	-	-	-	15,800	1,100	6,778	-	-	-	21,411	(186,999)

Northwest School Division No. 203
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2017

	2017	2016
	\$	\$
Non-Cash Items Included in Surplus / Deficit		
Amortization of Tangible Capital Assets (Schedule C)	3,700,063	3,564,970
Net (Gain) Loss on Disposal of Tangible Capital Assets (Schedule C)	(21,411)	186,999
Total Non-Cash Items Included in Surplus / Deficit	3,678,652	3,751,969

Northwest School Division No. 203
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2017

	2017	2016
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease (Increase) in Accounts Receivable	(791,457)	1,099,913
Increase (Decrease) in Accounts Payable and Accrued Liabilities	338,695	(82,022)
Increase in Liability for Employee Future Benefits	55,800	38,600
Increase in Deferred Revenue	88,984	102,697
Decrease in Inventory of Supplies for Consumption	57,211	14,504
Decrease in Prepaid Expenses	49,284	34,181
Total Net Change in Non-Cash Operating Activities	(201,483)	1,207,873

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Northwest School Division No. 203” and operates as “the Northwest School Division No. 203”. The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The school division is funded mainly by grants from the Government of Saskatchewan and a levy on the property assessment included in the school division’s boundaries at mill rates determined by the provincial government. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and as published by the Chartered Professional Accountants of Canada (CPA Canada).

Significant aspects of the accounting policies adopted by the school division are as follows:

a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

b) Reporting Entity

The financial statements include all of the assets, liabilities, revenues and expenses of the school division reporting entity.

c) Measurement Uncertainty and the Use of Estimates

Canadian public sector accounting standards require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year.

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$819,400 (2016 - \$763,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$26,919,686 (2016 - \$26,352,969) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$730,000 (2016 - \$690,000) because actual collectability may differ from initial estimates.

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- useful lives of capital assets and related amortization of \$3,700,063 (2016 - \$3,564,970) because the actual useful lives of the capital assets may differ from their estimated economic lives.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require material changes in the amounts recognized or disclosed.

d) Financial Instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The school division recognizes a financial instrument when it becomes a party to the contractual provisions of a financial instrument. The financial assets and financial liabilities portray these rights and obligations in the financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and long-term debt.

All financial instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenues or expenses. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

Gains and losses on financial instruments, measured at cost or amortized cost, are recognized in the statement of operations and accumulated surplus from operations in the period the gain or loss occurs.

e) Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

Cash and Cash Equivalents consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

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Accounts Receivable includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital, and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful.

Portfolio Investments consist of GICs and Co-op equity accounts. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (d).

f) Non-Financial Assets

Non-financial assets are assets held for consumption in the provision of services. These assets do not normally provide resources to discharge the liabilities of the school division unless they are sold.

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets of the school division include land, land improvements, buildings, buildings – short-term, school buses, other vehicles, furniture and equipment, computer hardware, computer software, audio visual equipment, and assets under construction.

Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The school division does not capitalize interest incurred while a tangible capital asset is under construction.

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The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line basis over their estimated useful lives as follows:

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years

Assets under construction are not amortized until completed and placed into service for use.

Inventory of Supplies for Consumption consists of supplies held for consumption by the school division in the course of normal operations and are recorded at the lower of cost and replacement cost.

Prepaid Expenses are prepaid amounts for goods or services which will provide economic benefits in one or more future periods. Prepaid expenses include insurance premiums, Saskatchewan School Boards Association membership fees and software licenses.

g) Liabilities

Liabilities are present obligations arising from transactions and events occurring prior to year-end, which will be satisfied in the future through the use of assets or another form of economic settlement.

Accounts Payable and Accrued Liabilities include accounts payable and accrued liabilities owing to third parties and employees for work performed, goods supplied and services rendered, but not yet paid, at the end of the fiscal period.

Long-Term Debt is comprised of capital loans with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995*.

Liability for Employee Future Benefits represents post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and

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retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

Deferred Revenue from Non-government Sources represents fees or payments for services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Revenue from tuition and related fees is recognized as the course is delivered; revenue from contractual services is recognized as the services are delivered; and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

h) Employee Pension Plans

Employees of the school division participate in the following pension plans:

Multi-Employer Defined Benefit Plans

The school division's employees participate in one of the following multi-employer defined benefit plans:

- i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

i) Revenue Recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

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The school division's sources of revenues include the following:

i) Government Transfers (Grants)

Grants from governments are considered to be government transfers. In accordance with PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan. Tax revenues are recognized on the basis of time with 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

iii) Fees and Services

Revenues from tuition fees and other fees and services are recognized in the year they are earned. Amounts that are restricted pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

iv) Interest Income

Interest is recognized on an accrual basis when it is earned.

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v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

j) Statement of Remeasurement Gains and Losses

The school division has not presented a statement of remeasurement gains and losses because it does not have financial instruments that give rise to material remeasurement gains or losses.

k) Adoption of Public Sector Accounting Standards

On September 1, 2016, the school division adopted Public Sector Accounting standards PS 2200 Related Party Disclosures, PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights.

Adoption of these standards has not resulted in any disclosure changes.

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$12,000,000 that bears interest at a rate of prime less 0.75% per annum with Royal Bank of Canada. This line of credit is authorized by a borrowing resolution by the board of education and is unsecured. This line of credit was approved by the Minister of Education on February 5, 2013. There was no balance outstanding on this credit facility as of August 31, 2017 (August 31, 2016 – no balance outstanding).

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4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2017	2016
Portfolio investments in the cost and amortized cost category:	Cost	Cost
GICs - A Craig - RBC 5 in 1 GIC - Investment Date Feb 5/13 - 5 Year Term - Non-Redeemable - Interest Rate is 2.2%	\$ 85,250	\$ 85,250
Co-op Equity	83,789	77,042
Total portfolio investments reported at cost and amortized cost	\$ 169,039	\$ 162,292

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2017 Actual	2016 Actual
Governance	\$ 78,307	\$ 317,127	\$ -	\$ -	\$ 395,434	\$ 389,661
Administration	2,346,385	268,537	-	102,164	2,717,086	2,783,988
Instruction	36,576,293	3,341,591	-	641,778	40,559,662	40,580,253
Plant	2,587,376	3,905,369	-	2,046,433	8,539,178	8,456,546
Transportation	3,242,402	1,747,454	-	811,162	5,801,018	5,657,951
Tuition and Related Fees	-	590,773	-	-	590,773	533,710
School Generated Funds	-	2,596,635	-	-	2,596,635	2,233,166
Complementary Services	1,512,531	247,869	-	25,598	1,785,998	1,768,846
External Services	231,110	2,002,376	-	72,928	2,306,414	409,228
Other	-	-	91,398	-	91,398	441,496
TOTAL	\$46,574,404	\$15,017,731	\$ 91,398	\$ 3,700,063	\$ 65,383,596	\$63,254,845

6. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave and retirement gratuity. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2015 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2017.

Details of the employee future benefits are as follows:

	2017	2016
Actuarial extrapolation date	Aug. 31, 2017	Aug. 31, 2016
Long-term assumptions used:		
Discount rate at end of period	2.69%	2.10%
Inflation and productivity rate (excluding merit and promotion)	2.50% for teachers	3.20% for teachers
	3.00% for non-teachers	3.20% for non-teachers
Expected average remaining service life (years)	15	15

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Liability for Employee Future Benefits	2017	2016
Accrued Benefit Obligation - beginning of year	\$ 1,272,400	\$ 1,198,300
Current period service cost	110,400	100,400
Interest cost	27,800	31,100
Benefit payments	(125,600)	(129,900)
Actuarial (gains) / losses	(179,100)	72,500
Plan amendments	1,400	-
Accrued Benefit Obligation - end of year	1,107,300	1,272,400
Unamortized Net Actuarial Losses	(287,900)	(508,800)
Liability for Employee Future Benefits	\$ 819,400	\$ 763,600

Employee Future Benefits Expense	2017	2016
Current period service cost	\$ 110,400	\$ 100,400
Amortization of net actuarial loss	41,800	37,000
Plan amendments	1,400	-
Benefit cost	153,600	137,400
Interest cost	27,800	31,100
Total Employee Future Benefits Expense	\$ 181,400	\$ 168,500

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the school division contributes is as follows:

i) Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP)

The STRP and STSP provide retirement benefits based on length of service and pensionable earnings.

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The school division's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

Details of the contributions to these plans for the school division's employees are as follows:

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	2017			2016
	STRP	S'TSP	TOTAL	TOTAL
Number of active School Division members	414	12	426	456
Member contribution rate (percentage of salary)	11.30 - 13.50%	6.05 - 7.85%	6.05 - 13.50%	6.05 - 12.40%
Member contributions for the year	\$ 3,503,817	\$ 23,609	\$ 3,527,426	\$ 3,159,434

ii) Municipal Employees' Pension Plan (MEPP)

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and/or benefits.

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

Details of the MEPP are as follows:

	2017	2016
Number of active School Division members	399	464
Member contribution rate (percentage of salary)	8.15%	8.15%
School Division contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$ 964,927	\$ 977,615
School Division contributions for the year	\$ 964,927	\$ 977,615
Actuarial (extrapolation) valuation date	(Dec-31-2016)	Dec-31-2015
Plan Assets (in thousands)	\$ 2,323,947	\$ 2,148,676
Plan Liabilities (in thousands)	\$ 1,979,463	\$ 1,831,743
Plan Surplus (in thousands)	\$ 344,484	\$ 316,933

8. ACCOUNTS RECEIVABLE

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts. Details of accounts receivable balances and allowances are as follows:

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	2017			2016		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 14,618,743	\$ 730,000	\$ 13,888,743	\$ 13,729,259	\$ 690,000	\$ 13,039,259
Provincial Grants Receivable	938,599	-	938,599	1,077,199	-	1,077,199
First Nation Tuition Receivable	1,046,636	-	1,046,636	996,935	-	996,935
Other Receivables	292,303	-	292,303	261,431	-	261,431
Total Accounts Receivable	\$ 16,896,281	\$ 730,000	\$ 16,166,281	\$ 16,064,824	\$ 690,000	\$ 15,374,824

As at January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan will now be the taxing authority for education property tax. After that date, the school division will no longer earn taxation revenue.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2017	2016
Accrued Salaries and Benefits	\$ 95,450	\$ 39,668
Supplier Payments	1,365,380	1,082,467
Accrued Audit Fees	19,455	19,455
Total Accounts Payable and Accrued Liabilities	\$ 1,480,285	\$ 1,141,590

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10. LONG-TERM DEBT

Details of long-term debt are as follows:

		2017	2016
Capital Loan (1):	Royal Bank of Canada Date of Maturity: April 30, 2018 Interest Rate: 2.82% Term: 60 Months Repayable in Monthly Blended Payments of \$20,057	\$ 160,050	\$ 392,649
Capital Loan (2):	Royal Bank of Canada Date of Maturity: June 26, 2019 Interest Rate: 2.79% Term: 60 Months Repayable in Monthly Blended Payments of \$4,608	98,777	150,519
Capital Loan (3):	Innovation Credit Union Date of Maturity: July 31, 2024 Interest Rate: 3.63% Term: 120 Months Repayable in Monthly Blended Payments of \$13,398	2,022,414	2,108,163
Total Long-Term Debt		\$ 2,281,241	\$ 2,651,331

Future principal repayments over the next 5 years are estimated as follows:

	Capital Loan (3)	Capital Loan (2)	Capital Loan (1)	Total
2018	\$ 88,842	\$ 51,742	\$ 160,050	\$ 300,634
2019	92,121	47,035		139,156
2020	95,458	-	-	95,458
2021	99,104	-	-	99,104
2022	102,703	-	-	102,703
Thereafter	1,544,186	-	-	1,544,186
Total	\$ 2,022,414	\$ 98,777	\$ 160,050	\$ 2,281,241

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Principal and interest payments on the long-term debt are as follows:			
	Capital Loans	2017	2016
Principal	\$ 370,090	\$ 370,090	\$ 359,017
Interest	86,676	86,676	97,748
Total	\$ 456,766	\$ 456,766	\$ 456,765

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2016	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2017
Capital projects:				
Federal capital tuition	\$ 461,016	\$ 94,756	\$ -	\$ 555,772
Hillmond Soil Remediation Capital Loan Revenue	4,609	-	-	4,609
Total capital projects deferred revenue	465,625	94,756	-	560,381
Other deferred revenue:				
Scholarships	178,587	80,199	66,594	192,192
Technology Consortium	29,070	-	-	29,070
Playground Fundraising	35,179	20,344	11,421	44,102
Tuition	28,300	-	28,300	-
Total other deferred revenue	271,136	100,543	106,315	265,364
Total Deferred Revenue	\$ 736,761	\$ 195,299	\$ 106,315	\$ 825,745

12. COMPLEMENTARY SERVICES

Complementary services represent those services and programs where the primary purpose is other than K-12 learning/learning support, but which have the specific objective of enhancing the school division's ability to successfully deliver its K-12 curriculum/learning programs.

Following is a summary of the revenues and expenses of the Complementary Services programs operated by the school division in 2017 and 2016:

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Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2017	2016
Revenues:				
Operating Grants	\$ 852,180	\$ 187,345	\$ 1,039,525	\$1,152,724
Total Revenues	852,180	187,345	1,039,525	1,152,724
Expenses:				
Salaries & Benefits	1,075,830	436,701	1,512,531	1,494,640
Instructional Aids	20,703	81,563	102,266	107,774
Supplies and Services	9,868	58,993	68,861	66,529
Non-Capital Equipment	3,162	174	3,336	6,496
Communications	2,563	735	3,298	1,702
Travel	7,318	3,859	11,177	9,995
Professional Development (Non-Salary Costs)	3,407	257	3,664	6,317
Student Related Expenses	7,559	47,708	55,267	49,690
Amortization of Tangible Capital Assets	-	25,598	25,598	25,703
Total Expenses	1,130,410	655,588	1,785,998	1,768,846
Deficiency of Revenues over Expenses	\$ (278,230)	\$ (468,243)	\$ (746,473)	\$ (616,122)

The purpose and nature of each Complementary Services program is as follows:

Pre-K Programs: Pre-K programming provides educational services to students aged 3 and 4.

Other Programs: Includes noon-hour and after-school activities, addiction awareness, alternative education, behavioural interventionists, wellness, nutrition, elders, mentorship, employment readiness, early reading initiatives, physical education, literacy, and music.

13. EXTERNAL SERVICES

External services represent those services and programs that are outside of the school division's learning/learning support and complementary programs. These services have no direct link to the delivery of the school division's K-12 programs nor do they directly enhance the school division's ability to deliver its K-12 programs.

Following is a summary of the revenues and expenses of the External Services programs operated by the school division in 2017 and 2016:

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Summary of External Services Revenues and Expenses, by Program	Other Programs	2017	2016
Revenues:			
Operating Grants	\$ 1,242,100	\$ 1,242,100	\$ 440,652
Total Revenues	1,242,100	1,242,100	440,652
Expenses:			
Grant Transfers	1,888,696	1,888,696	-
Salaries & Benefits	231,110	231,110	226,629
Supplies and Services	73,455	73,455	-
Non-Capital Equipment	34,804	34,804	-
Communications	2,640	2,640	2,641
Travel	-	-	61
Professional Development	740	740	595
Contracted Transportation & Allowances	2,041	2,041	111,648
Amortization of Tangible Capital Assets	72,928	72,928	67,654
Total Expenses	2,306,414	2,306,414	409,228
Excess (Deficiency) of Revenues over Expenses	\$(1,064,314)	\$(1,064,314)	\$ 31,424

The purpose and nature of the External Services program is to provide transportation to schools within the City of Lloydminster for students who reside within the Northwest School Division boundary.

14. ACCUMULATED SURPLUS

Accumulated surplus represents the financial assets and non-financial assets of the school division less liabilities. This represents the accumulated balance of net surplus arising from the operations of the school division including school generated funds.

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific future purposes such as school generated funds and Preventative Maintenance and Renewal (PMR). These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts, with the exception of the Federal Capital Reserves.

Details of accumulated surplus are as follows:

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	August 31 2016	Additions during the year	Reductions during the year	August 31 2017
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 58,097,990	\$ 5,253,006	\$ 3,703,330	\$ 59,647,666
Less: Debt owing on Tangible Capital Assets	(2,651,331)	-	(370,090)	(2,281,241)
	55,446,659	5,253,006	3,333,240	57,366,425
PMR maintenance project allocations (1)	1,593,777	1,184,173	1,026,688	1,751,262
Internally Restricted Surplus:				
Other:				
School generated funds (2)	1,147,818	-	739,562	408,257
Pre-K projects (3)	6,089	-	6,089	-
First Nation & Metis Program (4)	33,000	5,000	33,000	5,000
MLTC - Aboriginal Resources (5)	-	5,000	-	5,000
	1,186,907	10,000	778,651	418,257
Unrestricted Surplus	16,976,091	-	3,039,019	13,937,072
Total Accumulated Surplus	\$ 75,203,434	\$ 6,447,179	\$ 8,177,598	\$ 73,473,016

The purpose and nature of each Internally Restricted Surplus amount is as follows:

- (1) **PMR Maintenance Project Allocations** represent transfers received from the Ministry of Education as funding support for maintenance projects on the school division's approved 3 year capital maintenance plans. Unspent funds at the end of a fiscal year are designated for future approved capital plan maintenance project expenditures.
- (2) **School generated funds** are monies raised by the school, or under the auspices of the school, through curricular and extra-curricular fees for the sole use of the school. The principal of each school, subject to the rules of the School Board, may raise, hold, administer and expend these funds for the purposes of the school. Only revenue and expenses of school generated funds controlled by the division are included in the statement of financial activities and fund balances. To be deemed as controlled, the school division must have the unilateral authority to make decisions as to when, how and on what the funds are to be spent. Year-end cash balances of all school generated funds are included in the statement of financial position.
- (3) **Pre-K** funding received within the year to be restricted for future pre-k projects.
- (4) **First Nation & Metis Program** funding received within the year to be restricted for 2017/18 First Nation & Metis Programming.
- (5) **Meadow Lake Tribal Council (MLTC)** restricted funding for Aboriginal Resources.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 21, 2016 and the Minister of Education on August 8, 2016.

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16. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The school division is also related to non-crown enterprises that the Government jointly controls or significantly influences.

Related Party Transactions

Transactions with these related parties have occurred and been settled on normal trade terms.

In addition, the school division pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

A portion of the operating grant revenue from the Ministry of Education includes funding allocated to principal and interest repayments on some school board loans.

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	2017	2016
Revenues:		
Ministry of Education	\$ 30,675,219	\$ 32,982,671
Ministry of Economy	204,428	197,712
SGI	179,372	149,702
Prairie North Reg Health	-	70,000
Councils of Ministers of Ed	21,075	21,510
	\$ 31,080,094	\$ 33,421,595
Expenses:		
Ministry of Finance	\$ 68,909	\$ -
North West Regional College	96,073	80,201
Prairie South School Division #210	1,500	6,250
Sask Energy	321,305	357,319
Sask Tel	549,232	313,448
Sask Power	862,562	810,941
Sask Workers Compensation Board	174,682	83,538
Sun West School Division	39,633	39,500
Other	13,778	12,577
	\$ 2,127,674	\$ 1,703,774
Accounts Receivable:		
Ministry of Education	\$ 938,599	\$ 1,077,199
SGI	504	750
Ministry of Economy	21,595	-
	\$ 960,698	\$ 1,077,949
Accounts Payable and Accrued Liabilities:		
Sask Tel	\$ -	\$ 1,406
Ministry of Economy	-	13,651
Ministry of Finance	-	3,831
	\$ -	\$ 18,888

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17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Operating lease obligations of the school division are as follows:

	Operating Leases			
	Gymnasium/ Parking Rental	Shop Rental	Computer Lease	Total Operating
Future minimum lease payments:				
2018	\$ 35,028	\$ 16,824	\$ 543,212	\$595,064
2019	35,028	-	-	35,028
2020	35,028	-	-	35,028
2021	35,028	-	-	35,028
2022	35,028	-	-	35,028
Thereafter	35,028	-	-	35,028
Total Lease Obligations	\$ 210,168	\$ 16,824	\$ 543,212	\$770,204

18. ACCOUNTING CHANGES

On September 1, 2016, the school division adopted the following new standards:

- PS 3420 Inter-entity Transactions. This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective; and
- PS 3430 Restructuring Transactions. This section establishes how to account for and report restructuring transactions for both the receipt and transfer of assets and liabilities, together with related program or operating responsibilities.

The adoption of the new standards has been on a prospective basis, without restatement of prior period comparative amounts.

The adoption of the new standards has not resulted in any changes to the measurement, recognition, or disclosure of the school division's inter-entity transactions. During the year, the school division did not have any restructuring transactions

19. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

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20. RISK MANAGEMENT

The school division is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk).

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits in order to reduce its credit risk, as well as close monitoring of overdue accounts.

The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

The aging of grants and other accounts receivable as at August 31, 2017 was:

	August 31, 2017					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 938,599	\$ 938,599	\$ -	\$ -	\$ -	\$ -
First Nation Tuition Receivables	1,046,636	-	-	-	-	1,046,636
Other Receivables	168,659	164,829	-	-	3,200	630
Gross Receivables	\$ 2,153,894	\$ 1,103,428	\$ -	\$ -	\$ 3,200	\$ 1,047,266

ii) Liquidity Risk

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by maintaining adequate cash balances, budget practices, monitoring, and forecasting.

The following table sets out the contractual maturities of the school division's financial liabilities:

	August 31, 2017				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 1,480,285	\$ 1,480,285	\$ -	\$ -	\$ -
Long-term debt	2,281,241	-	300,634	436,421	1,544,186
Total	\$ 3,761,526	\$ 1,480,285	\$ 300,634	\$ 436,421	\$ 1,544,186

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iii) Market Risk

The school division is exposed to market risks with respect to interest rates, as follows:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents, portfolio investments.

The school division also has an authorized bank line of credit of \$12,000,000 with interest payable monthly at a rate of prime less 0.75 % per annum. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2017 (2016 – no balance outstanding).

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- managing cash flows to minimize utilization of its bank line of credit
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt